

RESOLUTION NO. 99-59

A RESOLUTION OF THE LODI CITY COUNCIL IN OPPOSITION TO
THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD'S
(GASB) PLAN TO MANDATE INFRASTRUCTURE REPORTING IN
FINANCIAL STATEMENTS

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WHEREAS, the Governmental Accounting Standards Board (GASB) plans to promulgate a new governmental financial reporting model for state and local governments in June 1999; and

WHEREAS, traditionally, state and local governments have not been required to report infrastructure assets of the general government in their financial reports; and

WHEREAS, GASB now plans to require that infrastructure assets be reported and depreciated in the financial statements of state and local governments, and the Government Financial Officer's Association (GFOA) is greatly concerned about the potential costs involved with implementing infrastructure reporting; and

WHEREAS, the GFOA has been guided in developing its position by the view that changes in financial reporting should be justifiable on the basis of their anticipated practical benefits; and

WHEREAS, the GFOA does not feel that infrastructure reporting and depreciation meets this criteria; and

WHEREAS, not only is the historical cost of an infrastructure asset irrelevant to decision making, but the allocation of that cost to subsequent periods in the form of depreciation expense is at best irrelevant, and at the worst misleading; and

WHEREAS, recently GFOA's Executive Board voted unanimously to oppose the mandatory reporting of infrastructure assets on the statement of position and also to oppose the depreciation of those assets.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi hereby opposes the Governmental Accounting Standards Board's plan to require mandatory reporting of infrastructure assets on the statement of position and further opposes the depreciation of those assets.

Dated: April 21, 1999

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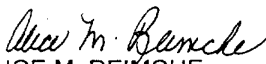
I hereby certify that Resolution No. 99-59 was passed and adopted by the Lodi City Council in a regular meeting held April 21, 1999 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Mann, Nakanishi, Pennino and Land (Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


ALICE M. REIMCHE
City Clerk